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City of Detroit


CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: February 24, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division, and submitted to the City Council for referral to the Committees on February 25, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley, Jr.	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on February 25, 2014.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
Police	2	0	1 Increase	2
Municipal Parking 1 Emergency contract	1	0		0
General Services	1	0	1 Renewal	0
Finance	1	0	1 Extension	0
Fire	2	0	1 Renewal	0
Transportation	1	0	1 Renewal	0
DWSD	1	0	1 Change Order	1
TOTALS	9	0	1 Change Order 1 Increase 1 Extension 3 Renewals	3

This list represents appropriations totaling approximately \$3,768,840¹

Included in the total costs are the following:

City General Fund	\$462,000.00
General Grants	\$501,840.00
Transportation Operation Fund	\$800,000.00
Parking Operation Fund	\$5,000.00
DWSD Bond Funds	\$2,000,000.00

¹ This list includes contract extensions for term of 1-year and New Contracts for terms of 1-Year to 5-Years.

TO: **The Honorable City Council**

FROM: David Whitaker, Director
Legislative Policy Division

DATE: February 24, 2014

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED AT THE
FORMAL SESSION OF FEBRUARY 25, 2014**

FINANCE

2806001 100% City Funding – To Provide Collection and Discovery Services – Company: Muniservices, LLC, Location: 7625 N. Palm Avenue, Suite 108, Fresno, CA 93711 – Contract Period: Upon Emergency Manager's Approval through December 31, 2014 – Contract Amount Not to Exceed: \$0.00

This amendment is to request additional time only. The previous contract was approved by the Emergency Manager on August 8, 2013 for additional time. There is no change in money at this time.

This is a revenue contract with no accounts listed.

This contract was initially approved the Week of November 23, 2009, for a term of 3 years, through December 2012 with options to renew 2 additional years. This was 1 of 2 contracts approved to provide collection services for delinquent receivable funds.² Amendment No. 1 extending the contract term through December 31, 2013 was not approved by Council on July 23, 2013, and subsequently approved by the Emergency Manager and reported as such during the September 3, 2013 formal session.

This is Amendment Agreement No. 2 to the original Contract. It extends the contract term 1-year from December 31, 2013 to expire December 31, 2014. Commissions to MuniServices are paid as follows: 13.5% on the amount collected from the monthly work plan activities; 13.5% collected through the establishment and monitoring of payment plans; 30% of the actual amount paid to the City for all eligible tax years from a Discovery Program that identifies taxpayers not previously known to the City and discovered through the efforts of this contractor; 33-1/3% from Collection resulting from litigation efforts.

Services will continue to be discovery, collection, enforcement, compliance and revenue enhancement. Debts collected will include: Personal Property and Income (corporate and individual) taxes, Fire Dept., DRMDS, DAH, BSEED, Parking, Health Dept., Bankruptcies and Income Tax discovery.

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² The 2nd contract, which was not renewed, was with Municipal Services Bureau (MSB) or Gila Corp (PO 2806000) to collect City-wide, non-tax receivables.

The Honorable City Council

Contracts and Purchase Orders submitted for Referral on February 25, 2014

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Continued Discussion of Finance Dept. Contract 2806001:

Contract checklist, dated 1-14-14, indicates this contract extension is essential to address the City's cash flow crisis. It was not competitively bid as it is a continuation of services.

Covenant of Equal Opportunity Affidavit signed 1-29-13; TAXES: Good Through 8-15-14 and 1-22-15; Hiring Compliance Policy Affidavit signed 1-29-13; however, Employment Application submitted does include a question of any conviction of misdemeanor or felony; Slavery Era Records Disclosure Affidavit signed 1-29-13, indicating business established in 2009, no records to disclose.

City Council may wish to inquire how much this vendor has collected, in the various categories, as well as the total commissions that have been paid to the contractor for services since its approval in Nov. 2009. Council may also wish to inquire which revenue accounts the funds the contractor has collected are deposited.

The Honorable City Council

Contracts and Purchase Orders submitted for Referral on February 25, 2014

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FIRE

2793738 100% City Funding – To Provide Fire Fighting Equipment – Company: Apollo Fire Equipment Company, Location: 12584 Lakeshore Drive, Romeo, MI 48065 – Contract Period: April 1, 2013 through March 31, 2015 – Total Contract Amount: \$100,000.00
Renewal of Existing Contract – Original Contract expired March 31, 2013.

Costs budgeted to General Fund, Acct. 1000-470100-006004-622100-12153-0-A4510. Appropriation for Fleet Management includes current funding of \$9,147,105.17 as of February 21, 2014.

This sole bid contract was originally approved in June 2009 for a term of 3 years (with three 1-year renewal available), through May 31, 2012, for a cost of \$395,000. The Purchase Order included 29 different items (with discounts ranging from 15% to 30%) including a variety of hose nozzles, adaptors, hydrant gate valves, hydrant equipment and repair parts. The 1st Renewal was approved by Council on June 12, 2012. It was an extension of time only (1-year/through March 31, 2013); no additional funding was added to the \$395,000 originally approved. The 1st renewal also included an increase in the discount on Akron Brass Co. manufactured parts from 5% to 30%.

This proposed 2nd renewal extends the contract term from April 1, 2013 through March 31, 2015, with an estimated amount of annual usage of \$100,000 and no increase in pricing. Prices range from \$105/ea. for smooth bore straight tip nozzle (less 30%) to \$851/ea. for dual handle swivel inlet playpipe nozzles (less 30%).

Contract Checklist, dated 2-7-2013, indicates the contract renewal is required because it is for equipment to repair engines and related equipment and the department would otherwise not be able to repair its firefighting equipment.

Covenant of Equal Opportunity Affidavit signed 11-29-10; TAXES: Good Through 6-30-14 and 11-23-14; Hiring Compliance Policy Affidavit signed 10-5-12 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 10-17-05, indicating business established in 1969, no records to disclose.

The Fire Dept. also has PO 2886797 with Apollo Fire Equipment for airlifting bags and equipment. This contract was approved during the week of December 16, 2013 for a contract total of \$182,722.80.

FIRE

2886973 100% Federal Funding – To Provide Breathing Air compressor System Maintenance and Repair – REQ# 291279 – Company: R & R Fire Truck Repair, Location: 751 Doheny, Northville, MI 48167 – Contract Period: March 1, 2014 through February 28, 2019, with Five (5), One (1) Year Renewal Options – Unit Price Range: \$4.25/Each To \$285.00/Each – Lowest Acceptable Bid – Contract Amount Not to Exceed: \$215,085.00/Five (5) Years

Costs budgeted to General Grants Fund, Acct. 3601-240701-000087-721100-13554-0-A1040. Appropriation for FY2011 Assistance to Firefighters Grant (AFG) includes current funding of \$235,879.55 as of February 21, 2014.

Three Bids were received and this recommendation is for the bid received from R&R Fire Truck Repair for the indicated price of \$215,085 for five years. This was also the only vendor to meet the all of the requirements under the bid specifications including the 5-year warranty. Other bids received were: Wright Tool quote of \$301,112 which included different type of compressor and Star Air Systems quote of \$149,802 did not include the 5-year warranty and is based out of North Carolina with no service tech in Southeast Michigan.

The contract is for breathing air compressor system maintenance and repair service by R&R Fire Truck Repair including a maintenance plan to bring and keep compressors up to good working order and provide required testing on each compressor unit. Maintenance includes: oil filters, air cartridges, testing, parts, labor at \$68.00/hr., parts needed for normal wear and tear (such as gauges, valves, seals, switches, sensors, light bulbs, pistons, rods and head cylinders). The required parts are list price, less 15% including: Mako mobile units \$285/ea., Ingersoll stationary units \$225/ea., filter cartridges \$182.15/ea., oil filters for mobile units \$23.68/ea. Prices are firm for 1-year, then subject to an adjustment of up to 15% maximum increase each year after for parts and labor. The contract also includes air quality tests at \$95/ea. and each unit requires six (6) tests per year. There is no cost for travel time.

Contract Checklist, dated 11-18-2013, indicates this contract is essential to provide required maintenance, repair services and equipment. It also states that this vendor does not currently provide other goods or services to the City.

Covenant of Equal Opportunity Affidavit signed 10-24-13; TAXES: Good Through 10-1-14 and 6-30-14; Hiring Compliance Policy Affidavit signed 10-24-13; however, Employment Application submitted does include a question of any conviction of misdemeanor or felony; however, it also includes a letter from the vice-president stating the question will be waived; Slavery Era Records Disclosure Affidavit signed 10-24-13, indicating business established in 1992, no records to disclose.

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Continued Discussion of Fire Dept. Contract 2886973:

The Fire Dept. also has PO 2885846 with R&R Fire Truck Repair, approved during the Recess Week of December 16, 2013, for \$180,351 to provide breathing air compressor systems at Engine 30, Engine 39, and the Training Facility. When PO 2885846 was submitted in December, the Purchasing Division indicated that the contract currently before Council (PO 2886973 5-year maintenance plan, regular maintenance and testing) would be forthcoming. The Purchasing Division determined it was not proper to include the 5-year maintenance plan items on the same contract as the 1-time purchase of new equipment.

GENERAL SERVICES

2837893 100% City Funding – To Provide Repair Service Parts Labor for New Holland Tractor and Sweepster and Jenkins Attachments – Company: Munn Tractor Sales Inc., Location: 3700 Lapeer Road, Auburn Hills, MI 48326 – Contract Period: March 10, 2014 through March 9, 2015 – Original Contract Amount: \$150,000.00 – Contract Amount Not To Exceed: \$150,000.00

Renewal of Existing Contract – Original Contract expired February 28, 2013. No additional funding needed.

Costs budgeted to General Fund, Acct. 1000-470110-006004-622100-13152-0-A4510. Appropriation for GSD - Street Maintenance Garage includes available funding of \$1,640,433.91 as of February 21, 2014.

This was a sole bid contract originally approved March 1, 2011, for the term March 1, 2011 through February 28, 2013 at \$150,000/2-years. This proposed contract is listed as a renewal for the term March 10, 2014 through March 9, 2015 for \$150,000/1-year to provide repair service, parts (at 5% discount) and labor for New Holland Tractor and Sweepster Jenkins attachments. Prices include: main broom 32"x6.5 \$415.89, weld core \$539.72, broom refills \$305.56, new Holland nuts \$8.08 and Keys \$3.63. Labor rate is \$75/hr. and pick-up/delivery charge is \$300 round-trip, warranty of 180 days. Either party may terminate the contract with 30-day written notice.

Contract Checklist, dated 2-17-14, indicates this contract is essential to repair the equipment to clean streets. It also states that this vendor currently provides fleet contractual equipment repair services.

Covenant of Equal Opportunity Affidavit signed 2-13-14; TAXES: Good Through 6-30-14 and 6-30-14; Hiring Compliance Policy Affidavit signed 2-13-14 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 2-13-14, indicating business established in 1985, no records to disclose.

The previous contract for these services and parts, PO 2726202 was approved in January 2007 with Munn Tractor Sales for \$45,000 per year. Prices included discounts of 16% and 6%; Labor at \$69 per hour; and Pickup and delivery for \$200 per round trip. Council may wish to inquire what vendor provided parts and service between March 1, 2013 through March 10, 2014 when it appears PO 2837893 was not in effect.

MUNICIPAL PARKING

2889327 100% City Funding – Notification of Emergency Procurement as provided by Ordinance No. 15-00 – Please be advised of an Emergency Procurement as follows: Description of Procurement: Elevator and Escalator Repairs at the Ford Underground Garage – Basis for the Emergency: The City of Detroit is in violation of the Americans with Disabilities Act (ADA) and can be fined for non-compliance for non-working elevator and escalator – Basis for Selection of Contractor: Thyssenkrupp has been selected as the supplier for the City-Wide contract for Monthly Maintenance and Emergency Repairs – Contractor: Thyssenkrupp Elevator, Location: 35432 Industrial Road, Livonia, MI 48150 – Total Amount: \$5,000.00

Costs budgeted to Parking Operation Fund, Acct. 5102-340030-000145-627190-04108-0-A3570. Appropriation for Operation and Maintenance includes available funding of \$5,597,281.41 as of February 21, 2014.

This emergency procurement for elevator and escalator repairs at Ford Underground Garage is required for ADA compliance. The City is currently in violation of the ADA and subject to fines for non-compliance. According to correspondence from the Purchasing Division, the basis for the selection of this contractor for the emergency repairs is that the contractor was recently selected as the City-wide supplier for monthly maintenance and emergency repairs. Correspondence from ThyssenKrupp dated February 11, 2014, indicates a mechanic rate of \$250/hr. and a team rate of \$500/hr. It also states the cost of work cannot exceed \$5,000 or the work hours cannot exceed 16 hours without written approval.

Council may wish to inquire why the new elevator/escalator maintenance contract PO 2888061 (approved February 4, 2014) with Thyssenkrupp Elevator for monthly elevator and escalator maintenance and emergency repairs for the contract term February 1, 2014 through January 31, 2017 for \$473,988/3-years is not being utilized for these repairs. According to the purchasing file reviewed earlier this month for PO 2888061 the contract includes elevators at Municipal Parking – Admin. building, and garages (incl. escalator at Ford).

The following clearances were provided for PO 2888061 which was approved February 4, 2014 with this vendor: Covenant of Equal Opportunity Affidavit signed 11-19-13; TAXES: Good Through 2-13-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 11-19-13, indicating business established 1925, no records to disclose; Hiring Policy Compliance Affidavit signed 11-19-13; however, Employment Application submitted does include question if applicant ever convicted of felony; however, it also includes statement that Michigan applicants are excluded.

Also, the following emergency procurements were approved February 19, 2013 for emergency repairs (for upcoming North American International Auto Show) as well as ongoing maintenance activities: PO 2500580 with ThyssenKrupp Elevator Corp. for \$8,000 for the Ford Underground Garage Elevator and PO 2504887 with Schindler Elevator Corp. for \$6,600 for the escalator in the Ford Underground Garage. Council may wish to inquire what ongoing maintenance was included under these emergency procurements.

POLICE

2796123 100% City Funding – To Provide Moving Services – Contract Period: June 15, 2009 through March 15, 2014 - Original Department Estimate: \$600,000.00 – Pre. Approved Dept. Increase: 1,557,159.00 - Requested Dept. Increase: \$212,000.00 - Total Contract Estimate Expenditure to: \$2,369,159.44 – Total Expended on Contract: \$2,007,170.44 – Detailed Reason for Increase: The Police Department is moving several units to accommodate the lost of leased properties. Attached is the breakdown of the services needed to accommodate the lost of two more leases. – Contractor: BDM LLC, Location: 1301 West Lafayette, Detroit, MI 48216

A Contract Renewal was approved by City Council on December 16, 2013 and approved by the Emergency Manager on January 22, 2014 for the General Services Department for \$150,000.00.

Costs budgeted to General Fund, Acct. 1000-370675-000165-628500-00119-0-A1081. Appropriation for Support Services Bureau includes available funding of \$11,091,191.76 as of February 21, 2014.

This request is for an increase in funding of \$212,000 in order for the Police Dept. to move several units to accommodate the loss of leased properties. There is no request to extend the contract term. The units being moved include: Investigative Operations, Commercial Auto Theft, Forfeiture Division, Auction Detail Unit, Crime Scene Services, Office of the Chief Investigator, as well as the Gaming, Records Identification, Firearms, and Narcotics Departments.

This contract was initially approved June 23, 2009 for a term of 3-years, through June 2012, for estimated expenditures of \$600,000 (\$200,000 per year). The rate for services was approved at \$23 per hour, with no additional fees for van use, cartons, containers or cancellation fees. The contract included options to renew 3 additional years.

Over the term of this contract costs have been significantly increased due to the consolidation of city offices and movement of offices to new facilities. Increases have included: \$300,000 in June 2011 to move Police Dept. offices; \$8,000 in March 2011, to move Benefits Administration Office; Extension through Dec. 14, 2012 and an increase of \$210,000 (approved June 19, 2012); Increase of \$289,400, requested by General Services and approved in Oct. 2012, to provide for consolidating offices (approved October 23, 2012); Extension through March 14, 2013 and an increase of \$20,000 (approved March 26, 2013); Renewal through March 15, 2014 and an increase of \$437,750 to the total expenditures (approved May 1, 2013). During the Recess Week of December 16, 2013, the contract was extended through March 15, 2015 with an increase of \$150,000 bringing the total authorized expenditure for this contract to \$2,157,159. This proposed contract increase would increase the total authorized expenditure to \$2,369,159 through March 2015.

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The Honorable City Council

Contracts and Purchase Orders submitted for Referral on February 25, 2014

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Continued Discussion of Police Dept. Contract 2796123:

A contract checklist for this increase in funding was not included in the file. However, the time extension and funding increase approved in December 2013 included a contract checklist that was received Nov. 20, 2013, indicating the contract is essential for services to move City furnishings and equipment when requested.

Covenant of Equal Opportunity Affidavit signed 2-17-11; TAXES: Good Through 8-18-14 and 6-30-14 (Tax Clearances provided for 407 E. Fort Street, Suite 103); Hiring Policy Compliance Affidavit signed 2-27-13; Slavery Era Records Disclosure Affidavit signed 3-11-09, indicating business established 2002, no records to disclose.

As indicated in the above summary, this contract (under the General Services Department) was submitted and not held by Council during the Recess Week of December 16, 2013 for a 1-year extension (through March 15, 2015) and additional funding in the amount of \$150,000 to continue moving services for City offices.

POLICE

2888140 100% Federal Funding – To Provide Funding for the Detroit Youth Violence Prevention Capacity-Building Project and Program Associate to assist with reporting and evaluation responsibilities, in addition to purchasing technology tools to include software to enhance communication and program monitoring activities for the Detroit Youth Violence Prevention Initiative (DYVPI) – Company: City Connect Detroit, Location: 613 Abbott Street, Third Floor, Detroit, MI 48226 – Contract Period: Upon Emergency Manager's Approval through One (1) Year Thereafter – Contract Amount Not to Exceed: \$286,755.00

Costs budgeted to General Grant Fund, Acct. 3601-372635-000175-617900-13632-0-A1070. Appropriation for Building Project - DYVPC includes available funding of \$420,220 as of February 21, 2014.

According to the Professional Services Contract Scope of Services, this proposed sole source contract would fund the hiring of one Chief Service Officer and Evaluator as well as provide fiduciary services for the purpose of disbursing payroll for the Detroit Youth Violence Prevention Capacity-Building Project and Program Associate to assist with reporting and evaluation responsibilities. It would also fund the purchase of equipment, supplies and technology tools to include software to enhance communication and program monitoring activities for the Detroit Youth Prevention Initiative (DYVPI).

The proposed contract also provides that the individual responsible for accepting performance is Brigid O'Droski, Director of Budget Operations, Detroit Public Safety Headquarters, 1301 Third St. 6th Floor, Detroit 48226. The term of the contract is 1- year, beginning on the date of City Council approval.

The Project Fees for this proposed contract include the following:

Travel & Mileage	\$11,325
Equipment	\$11,784
Office Supplies	\$4,675
Contractual	\$258,971
TOTAL	\$286,755

The proposed contract may be terminated for cause or convenience. Cause is an event of default (which includes the failure to begin work or cessation of performance) and requires the City to issue a Notice of Termination for Cause. The contractor would have 10-days to cure. The City has the ability to terminate the contract for convenience by providing 5-day written notice to the contractor and would be required to pay fees for services provided under the contract, including costs and expenses incurred before the termination.

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Continued Discussion of Police Dept. Contract 2888140:

Contract checklist, dated February 17, 2014, indicates this contract is essential; no reason is provided, however, it may be required to fulfill the terms of the grant. It also indicates the contract is a sole source and was not competitively bid.

A separate sole source justification provided by the Detroit Police Department cites the expertise, management, responsiveness, uniqueness, knowledge of City of Detroit processes, and expertise of contractor personnel as well as time constraints requiring contractual coverage immediately.

Covenant of Equal Opportunity Affidavit signed 8-23-13; TAXES: Good Through 9-20-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 8-23-13; Slavery Era Records Disclosure Affidavit signed 8-23-13, indicating it was formed in 2001 and has no records to disclose.

This contractor also was awarded sole source PO 2882831 with the Police Dept., approved by Special Letter during the Special Session of December 20, 2013, for a 3-year contract term beginning on the date of City Council approval and a contract total of \$365,385 (100% grant funded) to implement Ceasefire Detroit, which seeks to mitigate or reduce the rate of gun violence. The Contractor will assist with managing the funds allocated for community engagement as well as hire and manage the project staff.

TRANSPORTATION

2801385 80% State Funding, 20% City – To Provide Coach Body Repair – Company: All Type Truck and Trailer, Location: 23660 Sherwood, Warren, MI 48091 – Contract Period: August 31, 2013 through August 31, 2014 – Original Contract Amount: \$800,000.00 – Contract Amount Not To Exceed: \$800,000.00

Renewal of Existing Contract – Original Contract expired August 31, 2013. No additional funding needed.

Costs budgeted to Transportation Operation Fund, Acct. 5301-200290-000056-622900-00150-0-A3550. Appropriation for Vehicle Maintenance includes available funding of \$23,955,003.49 as of February 21, 2014.

This contract was originally submitted and not held during the Recess Week of August 10, 2009 for a term of 3-years, through August 2012 (with two 1-year renewals), for an estimated cost of \$600,000 over the 3 year term.³ The 1st renewal approved on October 23, 2012, extended the contract term from Sept. 1, 2012 through August 31, 2013 and added additional funding of \$200,000, bringing the contract total to \$800,000.

This request is for the 2nd and final renewal available of this contract, continuing the same hourly rate of \$49.50 for repair services. The contract term would be extended from 8-31-13 to 8-14-14. . This renewal is an extension of time only and proposes that no additional funding be added. The contract states that the vendor is to provide a specific time for the repair and return of coaches and there is a cost of \$278 per day in liquidated damages, to the vendor for each day the coach is held beyond the quoted time to repair and return.

Contract Checklist, dated 2-12-14, indicates this contract is essential as DDOT buses are exposed to potential daily damage to body and require repairs prior to returning to service. The justification for renewal is listed as the service is still required and DDOT does not have the sufficient manpower to perform this service. The Checklist also states that the service can be performed by City workers. Funding to this contract is provided in the following percentages: City-20% and State-80%.

Covenant of Equal Opportunity Affidavit signed 12-9-13; TAXES: Good Through 6-30-14 and 1-31-15; Hiring Compliance Policy Affidavit signed 12-9-13 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 12-9-13, indicating business established in 1970, no records to disclose.

³ Contracts with Midwest Bus Corporation (PO 2801378) and Fleet Services of Michigan (PO 2801389) each for \$600,000 and a term of 3-years were also submitted and not held during the Recess Week of August 10, 2009. These two contracts do not appear to have ever been renewed.

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DETROIT WATER AND SEWERAGE

2809198 100% DWSD Funding – West Side City of Detroit Sewer Repairs Contract for Inspection and In-Place Rehabilitation of Existing Circular and Non-Circular Sewers – Inland Waters Pollution Control, Inc., 4086 Michigan Ave., Detroit, Michigan 48210 – Contract Period: April 22, 2010 through June 30, 2014 – Change Order No. 2, 181 Days, Increase of \$2,000,000.00 to Contract Amount Not to Exceed: \$44,000,000.00. (DWS-877)

Costs budgeted to Sewage Bond Fund, Acct. 5421-427228-004342-617900-13573-731003-A6000. Appropriation for Construction includes available funding of \$79,994,941 as of February 21, 2014.

This request is approval of Change Order No. 2, to extend the term of this contract by 181 days, through June 30, 2014 and increase the costs of this contract by \$2,000,000 for a total contract amount of \$44,000,000. City Council approval is required because expenditures for Fiscal Year 14 to exceed the \$5 Million threshold for Board of Water Commissioners approval only.

This contract was awarded to the proposal scored the highest, received from Inland Waters Pollution Control, and approved by the City Council April 6, 2010. The contract was awarded for a term of 3 years, from April 22, 2010 through April 21, 2013, for a cost of \$40,000,000.

Change Order No. 1, extended the contract term through December 31, 2013, and increased the costs by \$2,000,000 to \$42,000,000. It was approved by the Board of Water Commissioners on February 27, 2013 – This change order was not submitted to the City Council because, according to DWSD, it did not exceed threshold to require approval of the City Council as the increase was \$2,000,000.

Contract services include the inspection and in-place rehabilitation of sewers, utilizing the procedures and equipment for the “cured in-place pipe lining” process. Contractor provides all labor, materials and equipment to perform a television inspection, cleaning and all required rehabilitation/lining of the sewer and water main lines, from 8-inch to 120-inch pipes. Contract work may also involve the repair of failed or collapsed water mains and sewer lines through open-cut repair methods.

Both Change Order 1 and 2 have been indicated to be required to maintain the services of this contractor until the new contract, for these same services, can be awarded and approved.

Information provided to the Board of Water Commissioners indicated that from April 21, 2010 through January 2013, contract provided for televising 323,000 linear feet (61 miles) of sewers, out of which approximately 234,000 linear feet (44 miles) of sewers were lined, including emergency repairs, cleaning of catch basins and repair/installation of manholes, the total costs were \$37,000,000. DWSD estimated in 2010 an expenditure of approximately \$1,200,000 per month.

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Continued Discussion of DWSD Contract 2809198:

Covenant of Equal Opportunity Affidavit signed 6-10-13; TAXES: Good Through 1-15-15 and 6-30-14; Board of Water Commissioners approved Nov. 27, 2013.

There is also a companion contract for Inspection and In-Place Rehabilitation of sewers on the East Side of the City (DWS-876 / Contract 2809180) also approved on April 6, 2010 for a term of 3 years with Inland Waters Pollution Control, for a cost of \$40,000,000. This contract was also previously amended (Change Order 1) to extend the term through Dec. 31, 2013 and increase costs by \$2,000,000; and Change Order 2 to extend the term through June 30, 2014 with an increase in costs to \$44,000,000. According to the Depart. this contract change order 2 did not increase the FY14 expenditures above the \$5 million threshold for Board of Water Comm. approval.

According to DWSD, the threshold is determined by the expenditures during the fiscal year – not the Change Order amount(s); The threshold of \$5,000,000 has been exceed this fiscal year for Contract 2809198(DWS-877); but not for Contract 2809180 (DWS-876).